

TANF SERVICES FUNDED IN WISCONSIN
ECONOMIC DEVELOPMENT INITIATIVE

Program Description:

The Department partners with both the Department of Commerce and the Wisconsin Association of Community Action Programs (WISCAP) for business expansion to create jobs for TANF eligible clients, entrepreneurship support, and training for employers to help them hire and retain low-income workers and those on public assistance. The Department of Workforce Development funds 50% of a position under an agreement with the Department of Commerce to help employers in Development Zones and Enterprise Zones identify and hire TANF and Food Stamp Employment and Training (FSET) eligible individuals. The Department of Commerce is providing the other 50% of the funding. The Development Zone Program is a tax benefit initiative designed to encourage private investment and to improve both the quality and quantity of employment opportunities. Employers earn tax credits on the basis of hiring individuals from target groups that include TANF and FSET eligible individuals. Individuals hired gain access to career-path positions in private businesses. The staff help employers locate and work with the appropriate W-2 and other employment and training programs to meet their needs. They also educate employers regarding various work programs and tax incentives.

The Department also contracts with WISCAP for entrepreneurship training for TANF-eligible participants. Ten community action agencies throughout the state provide training, technical assistance and capital development to help low-income entrepreneurs develop and maintain small businesses. Long term follow-up and assistance assures a very high level of business retention among participating entrepreneurs. By developing economic opportunities in low-income neighborhoods, these efforts also have a multiplier effect, offering jobs and strengthening families and neighborhoods.

Client Group Served:

Employers and TANF and Food Stamp Employment and Training (FSET) recipients in an effort to enable economic development through a good match of jobs and skilled workers. Efforts focus upon families below 150% of poverty, including those eligible for W-2 services, Food Stamps and Food Stamp Employment and Training (FSET), W-2 Child Care subsidies and Welfare to Work services, whose intermittent unemployment and chronic poverty threaten their ability to provide for their families. The entrepreneurship services are primarily designed for the working poor, who have demonstrated their ability to maintain a level of employment, but who need business skills and capital to develop self-employment options which will make the families fully self-sufficient.

Critical Indicators:

In 1999, this performance-based contract produced:

- 124 new businesses;
- 212 new jobs for low-income persons;
- Economic growth which can transform both urban and rural low-income neighborhoods.

The Department of Commerce has developed 20 Community Development Zones and 52 Enterprise Development Zones since 1989 and is currently developing 13 Enterprise Development Zones. The program has more than 500 participating employers and has produced nearly 24,000 new jobs in ten years of economic development. More than 2500 of these jobs have gone to targeted AFDC/W-2/Food Stamp recipients.

TOTAL TANF FUNDING: \$100,000